



AGENDA

Elected Officers Compensation Commission Wednesday, February 20, 2019 @ 12:00 p.m. City Hall, City Council Conference Room, 10th Floor

Liisa Speaker, Chairperson
Gilliam Dawson, Vice Chairperson
Cassie Alley, Member
Brian Huggler, Member
Jeff McAlvey, Member
Derek Melot, Member

- 1) CALL TO ORDER
- 2) ROLL CALL
- 3) EXCUSED ABSENCE
- 4) APPROVAL OF AGENDA
- 5) APPROVAL OF MINUTES
 - February 13, 2019
- 6) COMMUNICATIONS
 - Lansing State Journal Article
 - Mayor's Office Response on CPI Details
- 7) BUSINESS
 - a. Reports, Presentations, Commission Questions and Discussion
 - Elected Officials
 - Mayor's Chief of Staff
 - Finance Director Angela Bennett
 - b. Old Business
 - Draft Letter from Commission to Elected Officials
 - Outstanding Human Resource Information
 - Municipality Comparison Spreadsheet
 - Updates on Commission Tasks
 - c. New Business
- 8) COMMISSION MEMBER COMMENTS
- 9) PUBLIC COMMENT
- 10) ADJOURN



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DATE Feb 20, 2019

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MINUTES

**Elected Officers Compensation Commission
Wednesday, February 13, 2019 @ 2:00 p.m.
City Hall, City Council Conference Room, 10th Floor**

ROLL CALL

Liisa Speaker, Chairperson
Gillian Dawson, Vice Chairperson
Brian Huggler, Member
Jeff McAlvey, Member
Derek Melot, Member
Cassie Alley, Member - excused

OTHERS PRESENT

Sherrie Boak, Council Staff
Jim Smiertka, Chief Deputy Attorney- arrived at 2:07 p.m.
Chris Swope, City Clerk

CALL TO ORDER

Chairman Speaker called the meeting to order at 2:01 p.m.

ROLL CALL

Chairman Speaker called roll, all members present except Member Alley.

EXCUSED ABSENCE

MOTION BY MEMBER HUGGLER, SECONDED BY MELOT TO EXCUSE MEMBER ALLEY.
MOTION CARRIED 5-0.

APPROVAL OF AGENDA

MOTION BY MEMBER HUGGLER, SECONDED BY DAWSON TO APPROVE THE AGENDA AS PRESENTED FOR FEBRUARY 13, 2019. MOTION CARRIED 5-0.

APPROVAL OF MINUTES

MOTION BY MEMBER MCALVEY, SECONDED BY DAWSON TO APPROVE THE MINUTES FROM FEBRUARY 6, 2019 AS PRESENTED. MOTION CARRIED 5-0.

COMMUNICATIONS

Ms. Boak distributed the up to date EOCC Past Recommendations spreadsheet with the details on the 2017 recommendation.

BUSINESS

Reports, Presentations, Commission Questions and Discussion

Old Business

Elected Officials Updates

Ms. Boak stated to the Commission that of the Council Members, there were some out town for work, working and unable to attend or did not have an interest in speaking at this time to the Commission at this time.

DRAFT

Ms. Boak stated to the Commission that Ms. Harkins from the Mayor's office was out ill, and wanted to reschedule to attend the next meeting on February 20, 2019.

Mr. Swope spoke briefly on the changes in his office since 2017. That included the task now of being the administrator of the new Medical Marijuana Licensing Ordinance. Prior to this new responsibility he had 5 FT and 1PT with temporary help during elections. He currently has 7 FT and 1PT staff. Chairperson Speaker asked if the new responsibility required more travel time in the City. Mr. Swope confirmed he does have additional travel when his office is required to check on locations of facilities. He concluded that he was not present to ask for anything specific from the Commission. Member Huggler asked Mr. Swope if he was surprised in 2017 when the Council rejected their recommended increase for him. Mr. Swope admitted he was, but thought it was a comparable recommendation with other communities. The Commission asked Mr. Swope how long he has been with the City, and was provided the details he was elected in 2005 and sworn-in in 2006. He was then asked if he was making the same salary now that he was making in 2013, and he confirmed.

Member Melot asked if in 2017 the Commission discussed an increase based on inflation. Member Huggler confirmed and stated in 2017 they proposed 2% to keep up with inflation for the Mayor and Clerk, but no increase for the Clerk.

Consumer Price Index Information

The Commission reviewed the documents, noting the difference between now and 2015 at 6.2%. Member Melot pointed out that there could be a large increase if they bring all elected officials up to inflation. Member Huggler agreed, stating again that is why in 2017 they attempted to gradually bring it up.

The Commission discussed amongst themselves on bringing in Council Members to ask them questions on increases. Mr. Smiertka confirmed they could have them in attendance as long as there is no quorum and discuss their suggestions with them. The Commission also discussed an option of requesting a joint meeting with the Committee of the Whole and this Commission, individual discussions with an EOCC Member and an individual Council Member for their input. Mr. Smiertka stated to the Commission they could meet with individual Council Members one-on-one but the Commission could not hold any deliberations outside these Commission meetings. The Commission suggested a survey for Council Members to determine what their consideration would be, and also each Commission Member taking one Council Member and calling or meeting with them.

The Commission asked for the specifics on who voted for and against the rejection in 2017. Ms. Boak pulled up the Committee of the Whole minutes and emailed the Clerk for specifics at the Council meeting. It was relayed to the Commission that at the Committee of the Whole (4/10/17) meeting it was unanimous with 7-0 (Council Member Brown Clarke was not present), and the same vote of unanimous at City Council. (4/10/17).

Member McAlvey recommended to the Commission that the Clerk and Mayor receive increases.

Member Melot opined that it was unusual for Council Members who are part time to make the determination if the Mayor and Clerk, who are full time, would or could get increases.

Member Dawson suggested when speaking to Council Members the Commission Members should point out that if an increase is not done now, it will be larger in the future to make up to inflation and eventually will be an impact on the City budget.

Human Resources Information

Ms. Boak stated that the HR Department stated they are still working on the Municipality Comparison spreadsheet. Noting they were asked to include East Lansing and eliminate Rochester.

DRAFT

The Commission reverted back to the discussion on meeting with Council Members, and determined that Member Melot would draft a letter to the Mayor and Council President to be placed on a Council Agenda the night the Recommendation is referred so that each Commission Member can speak during a presentation on why they determined what they did.

Mr. Smiertka spoke briefly on the timeline of the recommendation itself; submitted to the Clerk's office, placed on file and on the agenda, and then the recommendation will become effective 30 days after the filing with the Clerk, unless Council adopts a resolution, with 6 votes, to reject the recommendation within that time frame.

Member McAlvey noted to the Commission that his belief is that to attract quality people to the positions, the City needs to offer increases for the Mayor and City Clerk.

Member Melot stated he would have the letter for the Mayor and Council for their presentation at a future Council meeting at the Commission's February 20, 2019 meeting.

The Commission briefly discussed with Mr. Smiertka the benefit items in the recommendation and what they can do and what could be tied to another benefit contract.

New Business

Finance Director Confirmed attendance for the 2/20/2019 meeting.

Commission Member Comments

No member comments at this time.

OTHER

No other items to discuss.

PUBLIC COMMENT

No public comment.

ADJOURN

Adjourned at 2:52 p.m.

Respectively submitted by:

Sherrie Boak, City Council Office Manager

Approved by Committee on: _____

City manager gets double-digit raise

Lahanas' new contract hikes pay to \$167,000

Megan Banta

Lansing State Journal
USA TODAY NETWORK - MICHIGAN

EAST LANSING – City officials on Tuesday extended a contract with City Manager George Lahanas until June 2021 and gave him his first double-digit raise in seven years.



George Lahanas

The East Lansing City Council unanimously approved the new contract during its Tuesday night meeting.

Until that vote, Lahanas' pay was determined by a contract passed in February 2012 after the city hired him that's been amended three times — most recently in 2016.

According to the city, his base salary for 2019 under that contract was \$149,308. That includes \$6,000 paid into a deferred compensation retirement plan.

The contract approved Tuesday increases his pay by about \$17,700 to \$167,000. That figure also includes the \$6,000 paid to the retirement plan.

That's an 11.8% increase. Lahanas'

previous raises have averaged less than 1% per year, Ruth Beier told her fellow council members.

"This reflects that Mr. Lahanas is no longer a beginning city manager," she said. "I like this contract because I think it will keep Mr. Lahanas here, and I think that's good for the city of East Lansing."

City council approved the raise retroactive to Jan. 1, when East Lansing started implementing an income tax that voters passed last year. That means Lahanas will get a \$1,973 payment added to his first paycheck in March, according to his assistant.

The raise also comes after city council made \$1.3 million in cuts to general fund spending last May as the city sought to decrease spending and address unfunded pension liabilities and other financial issues.

Those cuts included some elimination of positions and a couple smaller cuts to programs:

- Reducing hours at the Family Aquatic Center by one hour per day to save \$18,000.

- Canceling the city's membership with the Lansing Economic Area Partnership, an organization that assists local governments with business development, to save \$15,000.

The city didn't end up making all of those cuts. The head of LEAP said the



East Lansing City Hall LSJ PHOTO FILE

city didn't cancel its contract after all.

Beier, who worked to put together the new contract, said despite the need to make cuts last year, the recently passed income tax gives the city "wiggle room" to increase Lahanas' pay after not having moved him up within the city manager's pay range as originally expected.

City council also voted to allow Lahanas the potential for an annual bonus of up to 3% of his salary based on a performance evaluation. The evaluation was included in the previous contract, but the potential for a bonus was not.

The contract also pares down his retirement benefit and tightens allowed severance pay.

The contract approved in 2012 makes

a handful of years of family health insurance available to Lahanas at any age if he were to leave employment with East Lansing. The new contract makes it so he wouldn't be able to access those five years of coverage unless he was at least 60 years old and unless he retires from the city.

The new contract also changes language related to severance, adding a stipulation that if Lahanas were to leave and find employment elsewhere within a year, his severance payments would end at that point. Previously, he would have been guaranteed a full year of severance, even after finding another job.

"The golden parachute Mr. Lahanas had in his previous contract is not so golden anymore," Mayor Mark Meadows said.

Beier said as a part of establishing the new contract, she and others looking at changes reviewed several recruitment profiles and salary ranges from comparable communities around the country, including:

- Normal, Illinois — Home of Illinois State University

- Auburn, Alabama — Home of Auburn University

- Ann Arbor, Michigan — Home of University of Michigan

Contact reporter Megan Banta at (517) 377-1261 or mbanta@lsj.com.

QUESTION:

Committee inquired into if the information provided in the February 8, 2019 email was for Detroit, or Michigan as a whole and if he had anything for Lansing.

RESPONSE:

From: Lawrence, Mark <Mark.Lawrence@lansingmi.gov>

Sent: Wednesday, February 13, 2019 3:11 PM

To: Boak, Sherrie <Sherrie.Boak@lansingmi.gov>

Cc: Harkins, Samantha <Samantha.Harkins@lansingmi.gov>

Subject: RE: CPI Information

Those numbers are nation-wide.

According to BLS, the index for all items less food and energy in the Midwest region, was up 2.0 percent from December 2017 to December 2018.

More local information seems to lack CPI less food and energy info.

(https://www.bls.gov/regions/midwest/summary/blssummary_lansing.pdf)

Boak, Sherrie

From: Lawrence, Mark
Sent: Friday, February 8, 2019 8:10 AM
To: Harkins, Samantha; Boak, Sherrie
Subject: CPI Information
Attachments: CPI 2018 Info.pdf; 2016-2017 CPI Information.pdf

Sherrie & Samantha:

I've attached the requested information regarding the CPI for all items less food and energy and have included the source documents for your information.

To summarize:

In 2016, the CPI for all items less food and energy rose 2.2%

In 2017, the CPI for all items less food and energy rose 1.8%

In 2018, the CPI for all items less food and energy rose 2.2%

2016 and 2017 information can be found here near the bottom of page four:

https://www.bls.gov/news.release/archives/cpi_01122018.pdf

2018 information can be found here: <https://www.bls.gov/news.release/cpi.t01.htm>

Mark Lawrence

Citizen Advocate

City of Lansing – Office of Mayor Andy Schor

124 W. Michigan Ave. | Lansing, MI 48933

O: [517-483-4141](tel:517-483-4141) |



Andy Schor, Mayor

Not seasonally adjusted CPI measures

The Consumer Price Index for All Urban Consumers (CPI-U) increased 2.1 percent over the last 12 months to an index level of 246.524 (1982-84=100). For the month, the index declined 0.1 percent prior to seasonal adjustment.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) increased 2.2 percent over the last 12 months to an index level of 240.526 (1982-84=100). For the month, the index declined 0.1 percent prior to seasonal adjustment.

The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) increased 2.0 percent over the last 12 months. For the month, the index decreased 0.1 percent on a not seasonally adjusted basis. Please note that the indexes for the past 10 to 12 months are subject to revision.

Year in Review (December to December)

The all items CPI rose 2.1 percent in 2017, the same increase as in 2016, but larger than the 2014 and 2015 increases. It was also larger than the 1.6-percent average annual increase over the past 10 years.

The food index, which declined 0.2 percent in 2016, increased 1.6 percent in 2017. The index for food at home rose 0.9 percent in 2017 after falling in 2015 and 2016.

The six major grocery store food group indexes were mixed in 2017, with three increases, two declines, and one unchanged. The index for meats, poultry, fish, and eggs increased 2.8 percent after declining in 2015 and 2016. The beef index rose 3.5 percent in 2017, and the index for eggs increased 11.6 percent. The index for fruits and vegetables rose 1.5 percent in 2017 after falling 2.4 percent in 2016. The index for other food at home also increased in 2017, rising 0.5 percent.

The index for cereals and bakery products fell 0.6 percent in 2017, similar to its 0.7-percent decline the prior year. The index for dairy and related products fell 0.5 percent in 2017, its third consecutive yearly decrease. The index for nonalcoholic beverages was unchanged in 2017 after falling in 2016.

The index for food away from home rose 2.5 percent in 2017 after a 2.3-percent increase the prior year. Over the last 10 years, the food index rose at an annual rate of 2.0 percent. The food at home index rose at a 1.5-percent rate, and the index for food away from home increased at a 2.6-percent rate since December 2007.

The energy index rose 6.9 percent in 2017 after a 5.4-percent increase in 2016. The gasoline index increased 10.7 percent in 2017 following a 9.1-percent increase in 2016. The index for natural gas also increased for the second straight year, rising 4.7 percent in 2017 after increasing 7.8 percent in 2016. The electricity index increased 2.6 percent in 2017 after rising 0.7 percent in 2016. Despite the recent increases, the energy index declined at a 0.5-percent annual rate over the past 10 years.

The index for all items less food and energy rose 1.8 percent in 2017, a smaller increase than its 2.2-percent rise in 2016. The shelter index rose 3.2 percent in 2017 following a 3.6-percent increase in 2016. The rent index rose 3.7 percent in 2017, while the index for owners' equivalent rent increased 3.2 percent.

Expenditure category	Relative importance Nov. 2018	Unadjusted indexes			Unadjusted percent change		Seasonally adjusted percent change		
		Dec. 2017	Nov. 2018	Dec. 2018	Dec. 2017- Dec. 2018	Nov. 2018- Dec. 2018	Sep. 2018- Oct. 2018	Oct. 2018- Nov. 2018	Nov. 2018- Dec. 2018
Energy services	3.329	201.066	200.148	203.800	1.4	1.8	1.7	0.4	1.8
Electricity	2.582	208.406	209.339	210.637	1.1	0.6	2.3	0.3	0.7
Utility (piped) gas service	0.747	175.909	169.821	179.999	2.3	6.0	-0.6	0.7	5.6
All items less food and energy	79.065	253.558	259.105	259.083	2.2	0.0	0.2	0.2	0.2
Commodities less food and energy commodities	19.536	142.647	143.542	142.840	0.1	-0.5	0.3	0.2	0.1
Apparel	3.057	120.614	124.935	120.526	-0.1	-3.5	0.1	-0.9	0.0
New vehicles	3.704	146.522	145.826	146.126	-0.3	0.2	-0.2	0.0	0.0
Used cars and trucks	2.382	136.118	138.010	138.069	1.4	0.0	2.6	2.4	-0.2
Medical care commodities	1.713	380.087	380.658	378.190	-0.5	-0.6	-0.1	0.4	-0.2
Alcoholic beverages	0.970	246.791	251.326	251.131	1.8	-0.1	0.1	0.3	0.0
Tobacco and smoking products	0.659	1,046.785	1,083.514	1,082.248	3.4	-0.1	1.3	0.4	-0.4
Services less energy services	59.529	322.250	330.983	331.478	2.9	0.1	0.2	0.2	0.3
Shelter	33.078	301.985	310.950	311.652	3.2	0.2	0.2	0.3	0.3
Rent of primary residence	7.897	313.904	323.968	324.815	3.5	0.3	0.2	0.4	0.2
Owners' equivalent rent of residences ⁽²⁾	23.924	310.041	319.338	320.038	3.2	0.2	0.3	0.3	0.2
Medical care services	6.932	509.045	520.973	522.506	2.6	0.3	0.2	0.4	0.4
Physicians' services	1.726	377.734	379.872	379.885	0.6	0.0	0.0	-0.3	0.0
Hospital services ⁽³⁾	2.327	323.114	334.242	334.964	3.7	0.2	0.0	0.5	0.5
Transportation services	5.990	313.645	324.168	322.317	2.8	-0.6	0.1	-0.3	-0.2
Motor vehicle maintenance and repair ⁽¹⁾	1.126	283.107	290.114	289.705	2.3	-0.1	0.2	0.4	-0.1
Motor vehicle insurance	2.409	547.586	573.338	572.824	4.6	-0.1	0.5	-0.5	-0.2
Airline fares	0.699	254.947	263.809	248.290	-2.6	-5.9	0.0	-2.4	-1.5
Footnotes ⁽¹⁾ Not seasonally adjusted. ⁽²⁾ Indexes on a December 1982=100 base. ⁽³⁾ Indexes on a December 1996=100 base.									

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Elected Officers Compensation Commission

Feb. 21, 2019

Hon. Carol Wood
President
Lansing City Council
124 W. Michigan Ave., 10th floor
Lansing, MI 48933

Dear President Wood,

On behalf of the Elected Officers Compensation Commission, I am writing to request the opportunity for commission members to present our findings in person before the council in a Committee of the Whole session prior to any formal consideration or action by the council.

While, pursuant to 280.04 of the Code of Ordinances, the commission's meetings are public, members believe it is important to have the opportunity to present our findings before the council in order to address any concerns or clarify any misconceptions prior to any council vote.

Please contact me via Sherrie Boak of the City Council Office if you have any questions regarding this request.

Respectfully,

Liisa Speaker
Chair, Elected Officers Compensation Commission

Cc: Mayor Andy Schor's Office

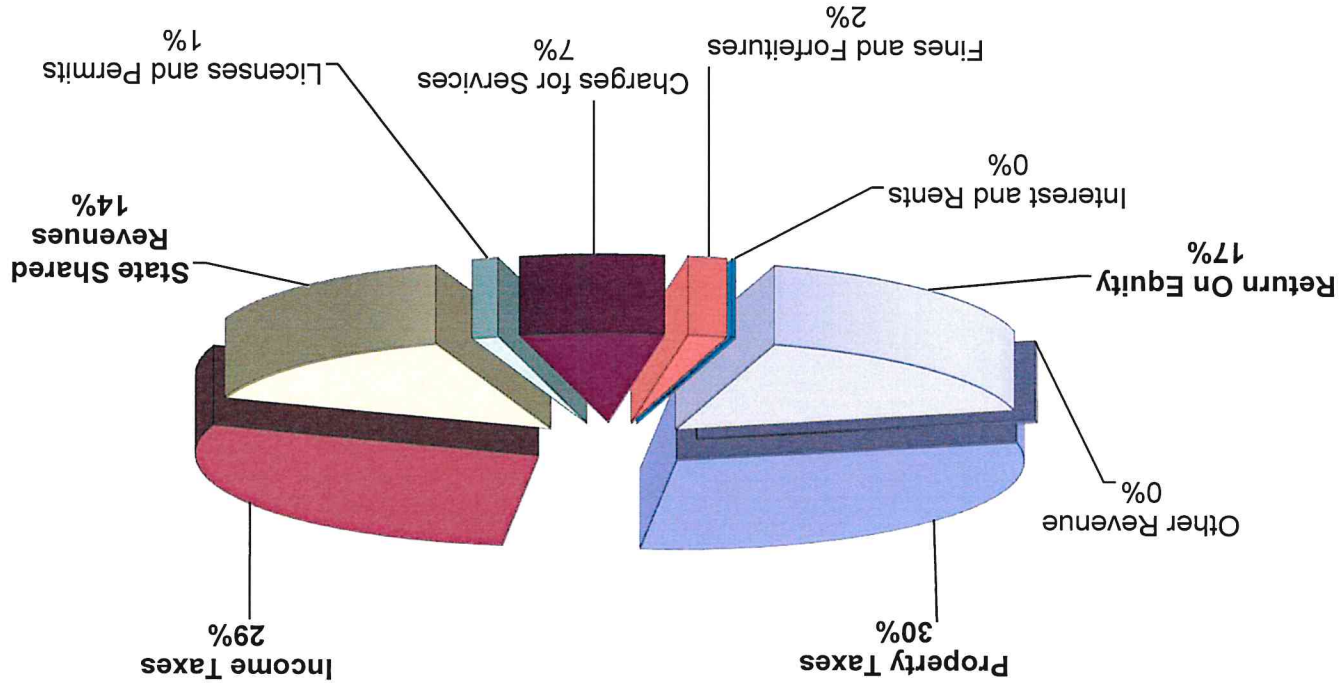
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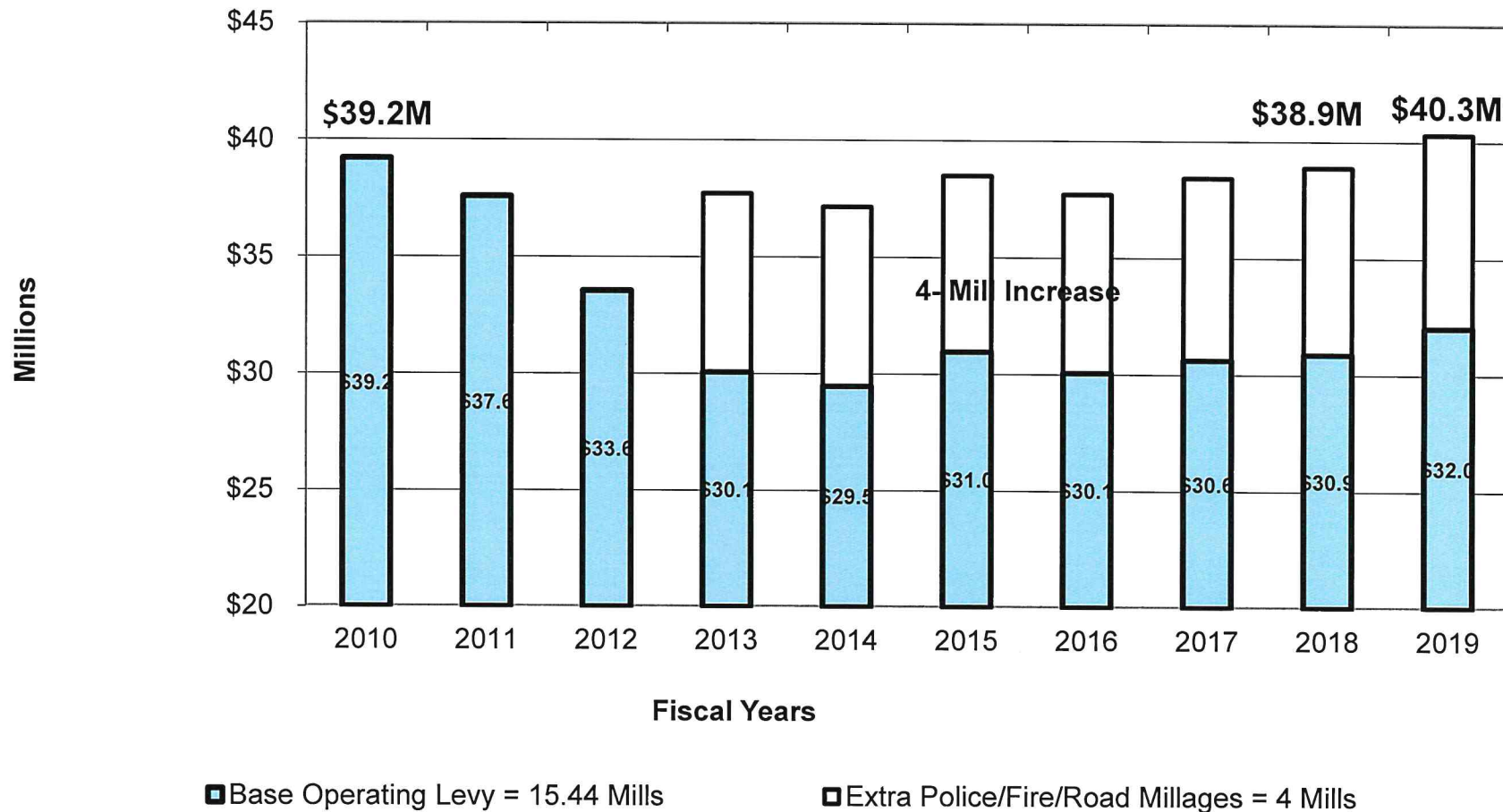
Andy Schor, Mayor

Elected Officials Compensation Commission Financial Overview February 20, 2019

**FY 2018/2019 General Fund
Budgeted Revenues
\$134.3 Million**

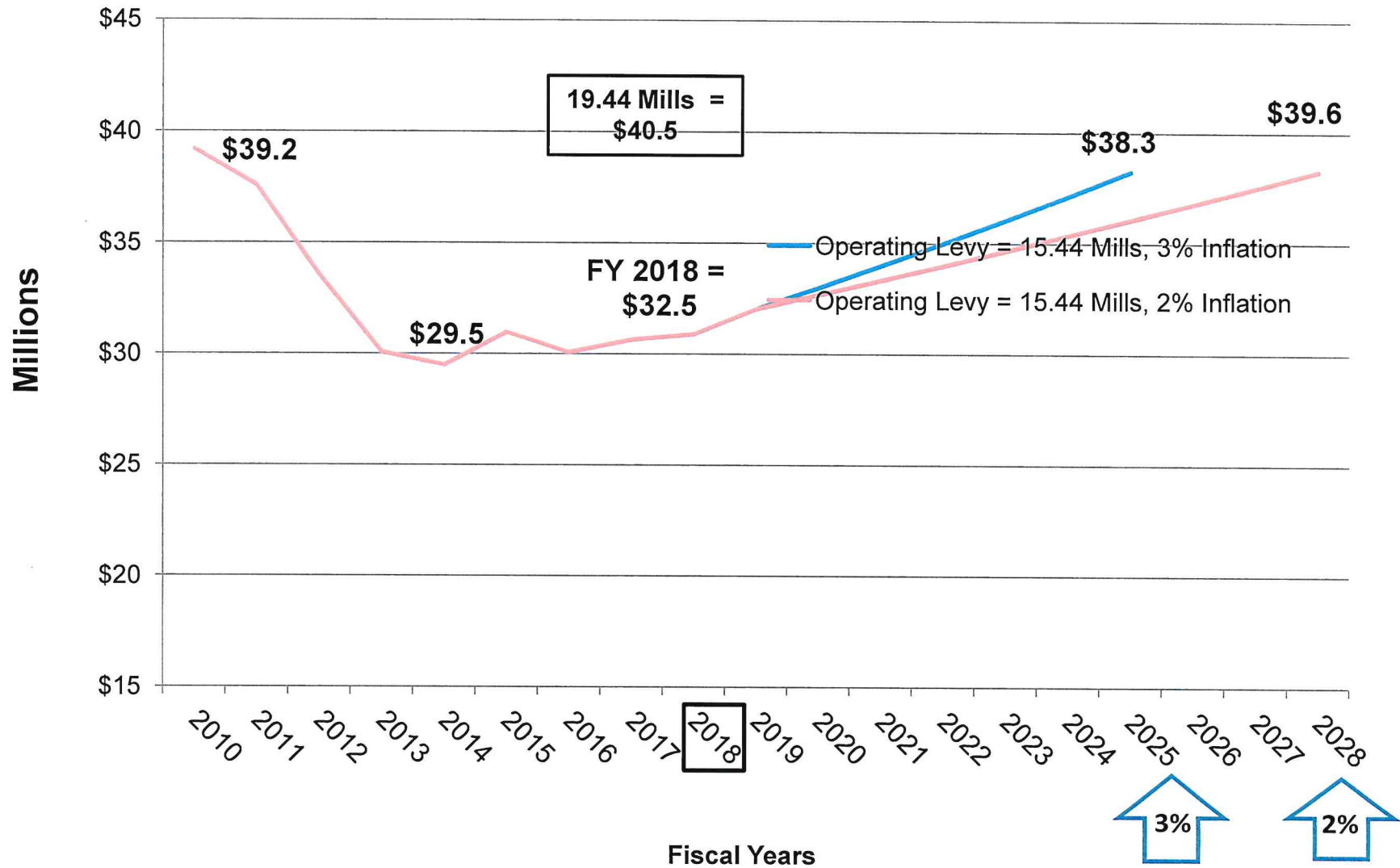


City of Lansing Property Tax Revenues

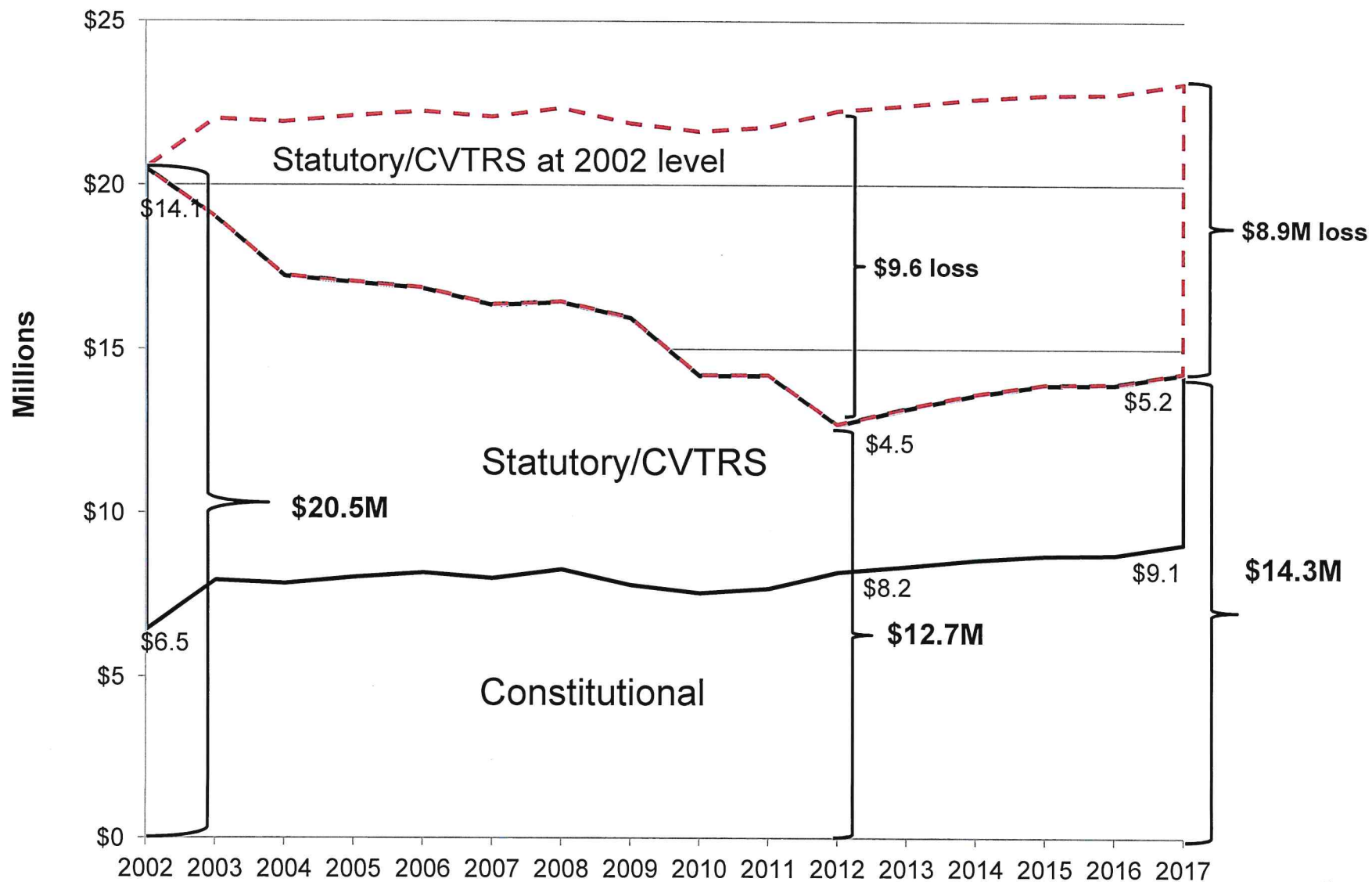


Due to declining property values during the Great Recession and State restrictions on property tax growth, property tax revenue, with the extra 4.0 Police/Fire/Road millages, is now, finally, at FY 2010 levels, before the extra millages.

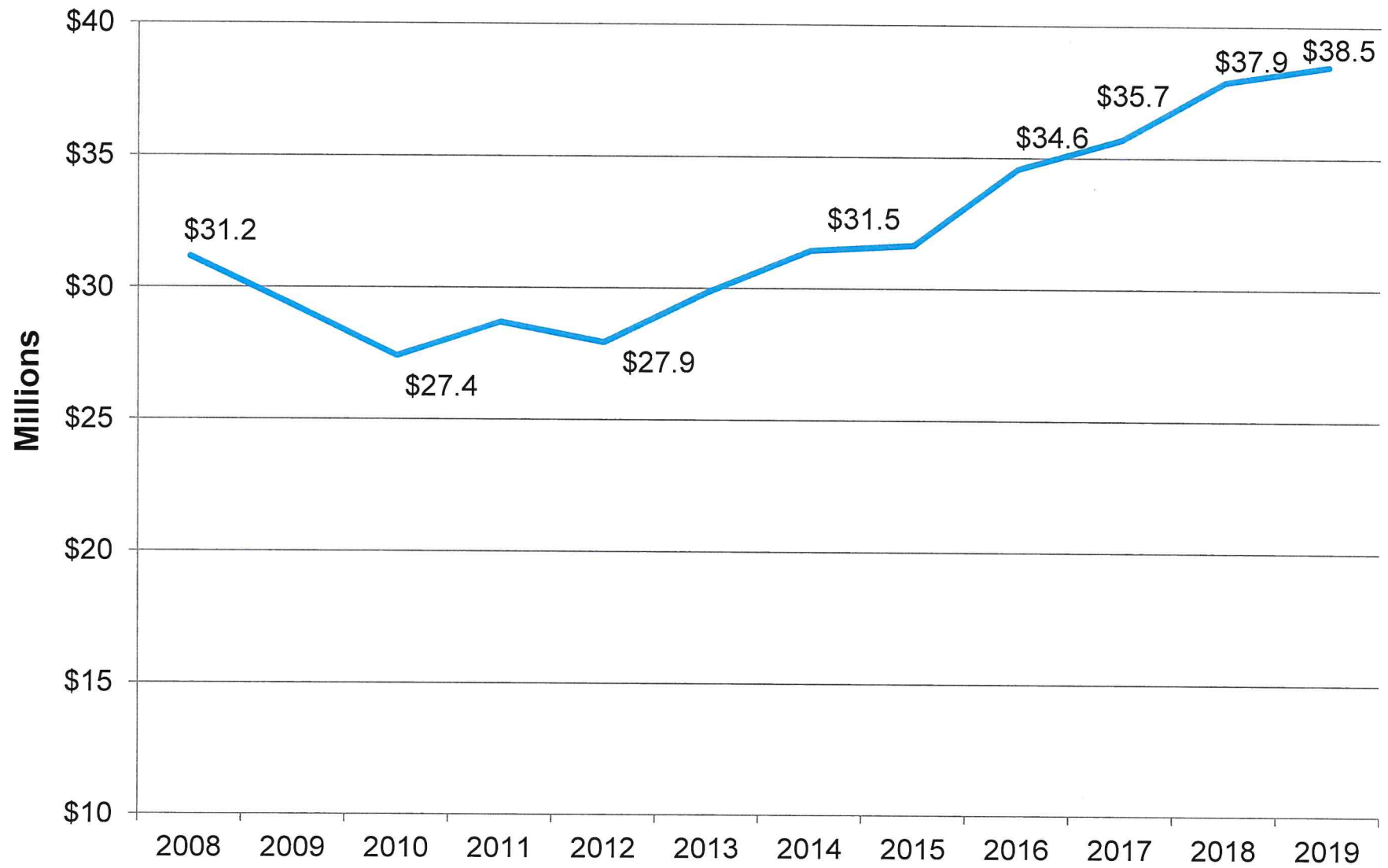
Lansing Property Tax Growth of 15.44 Mill Levy (without extra Police/Fire/Road mills)



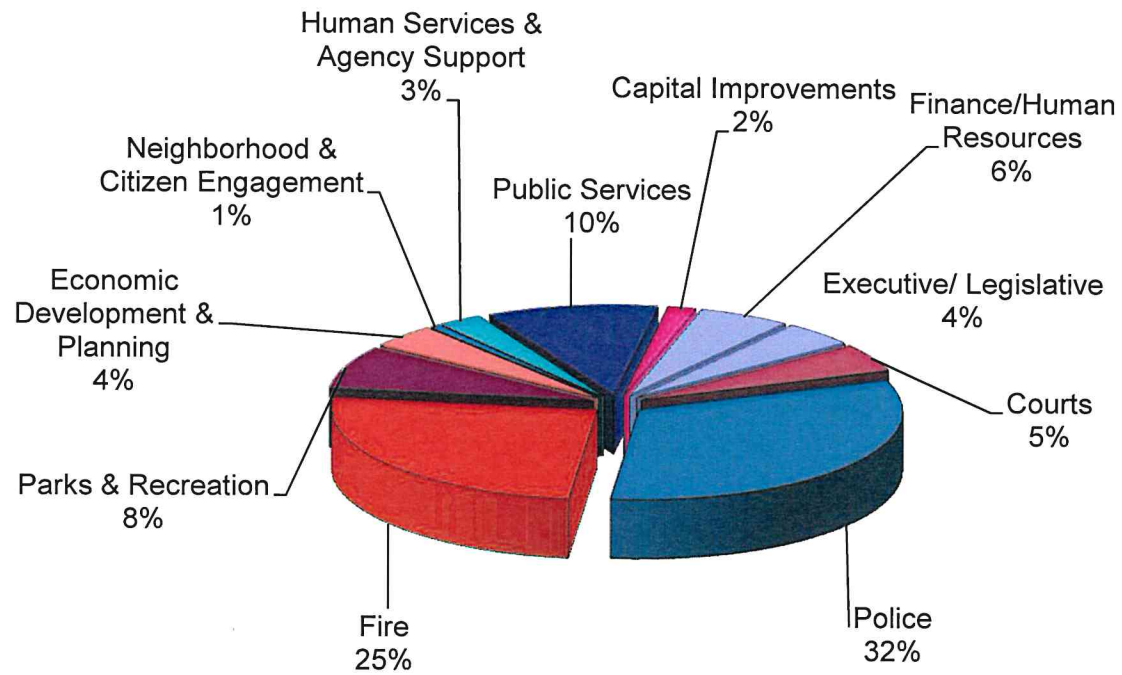
City of Lansing Effects of State Revenue Sharing Cuts



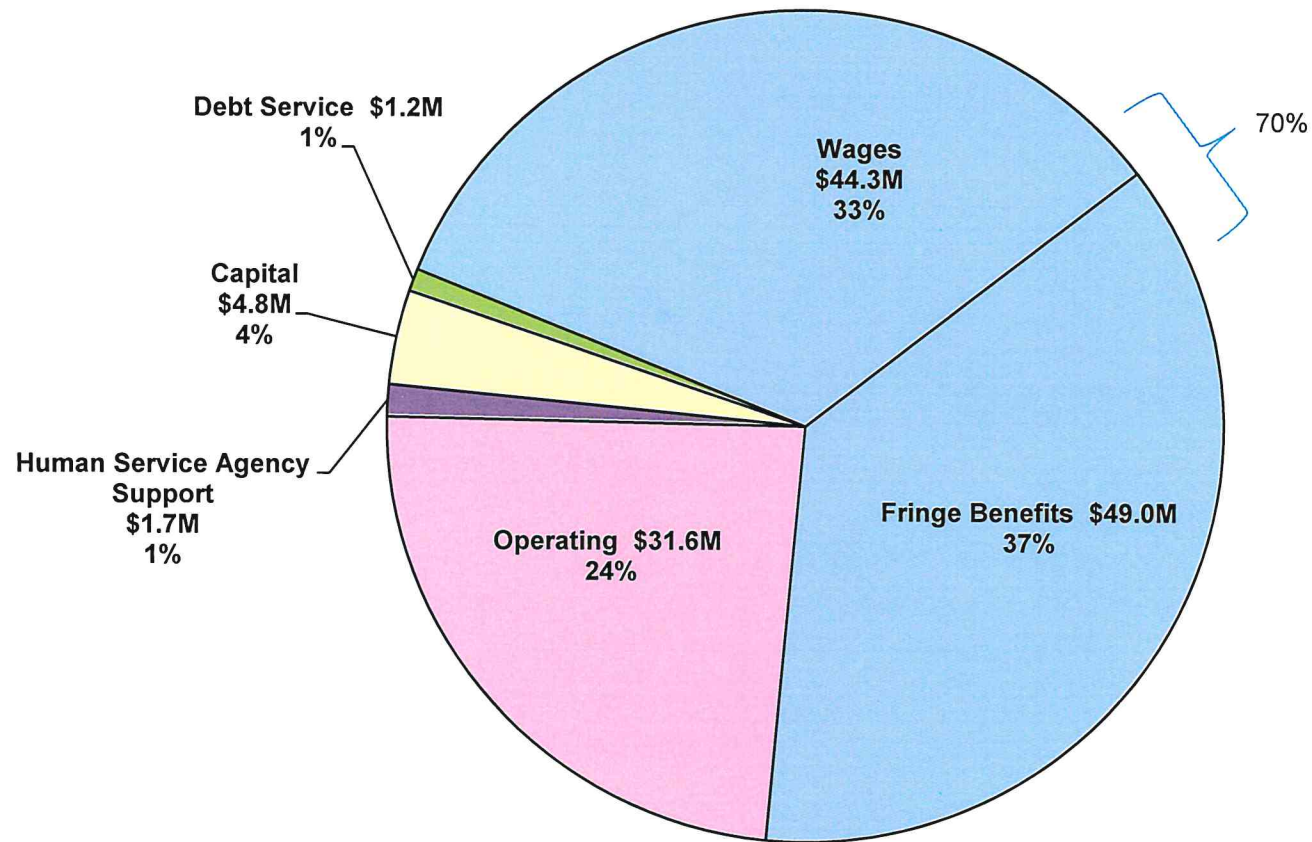
Income Tax Revenue



**FY 2018/2019 General Fund
Budgeted Expenditures
\$134.3 Million**



FY 2019 General Fund Budget By Category
\$134.3M



General Fund Reserve Levels

Unreserved Balances; Includes Budget Stabilization Fund

